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Advertising Age

Thursday

INSIDE

Special Report:
Premiums and
Promotions—
Deemphasizing
the discount,
looking in
new directions

Cliff Robertson
Advertising Age's Star Presenter

In the news

Getting personal

How old do you think personal ads are? A little research has turned up a 1799 novel called "Advertisement for a Husband," about a fair young maiden who placed just such an ad. What kind of responses did she get? *See Page 4.*

Unbelievably believable

Believable is what Cliff Robertson, Ad Age's Star Presenter of 1985 for his work for AT&T, seems to be. Although he has had a long and distinguished career as an actor, writer and director in motion pictures, he's never been associated with the head-turning aspects of Hollywood. "I've never embraced this life style," said the 59-year-old actor. *See Page 5.*

Photo by Hal Fisher

Job hunt

John Sweeney, a former Foote, Cone & Belding associate creative director who now teaches advertising, offers some concrete tips for aspiring copywriters on how to land a job. *See Page 50.*

This ad packs a wallop

Filming a recent Glidden paint commercial was an electrifying experience for actor Jim Frederick. The spot featured him with his hair standing on end at the thought of having to repaint next year, and the effect was produced by a brief jolt of more than 1 million volts of static electricity. *See Page 52.*

Special Report

Premiums & promos

When comparing budgets, promotion comes across like a Superman to advertising's Clark Kent. But in terms of image, advertising comes out of the phone booth in the blue suit and red cape. *In Special Report, starting on Page 15.*

McCann chefs secretly mixed skills on Coke

By Nancy Giges

McCann-Erickson execs who weathered the Coca-Cola "new taste" shock wave (AA, April 29) speak of the experience well beyond the advertising they created.

The top secret, high-pressure project was also a high-stakes experiment in how super-egos deal with one another—and remain friends—while developing one of the most important campaigns of their careers.

Never before had the top five creative execs at McCann-Erickson's New York office been thrown together into one group—working on the same project.

But there was no doubt about who would be on the team. The nature of the project demanded the best talent McCann could provide.

The secrecy mandated by the nature of the assignment meant that as few people as possible know about the work.

While some of the team members might have anticipated some friction at first, Ira Madris, exec vp, put it into perspective: "The enemy happens to be in Purchase, [N.Y.]," a reference to rival Pepsi-Cola's headquarters.

On Jan. 3, when McCann was officially notified of the super-secret job, two vice-chairmen and three exec vps—each of whom usually runs his own group—were named to the secret team that held clandestine meetings in special offices, fondly dubbed "the bunker."

Commented team member Marcio Moreira, exec vp, "We had all been in new-business meetings together and in presentations. And we all acknowledge each other's strengths, but we hadn't been thrown into the kitchen together. They say too many chefs spoil the broth, but in this case it didn't."

For some two months, these five men—Mr. Moreira; Barry Day and John Bergin, vice-chairmen; Ira Madris and Bruce Nelson, exec vps—essentially carried the creative load on their own. The team also included Bill Thompson, exec vp, as the account man, and two representatives from Coca-Cola Co.

Only after clear direction had been established did McCann expand the team and add other staffers that would carry out the day-to-day work. Even at the end of the project, only about 30 McCann people

(Continued on Page 55)

The secret McCann-Erickson team that worked on advertising for Coca-Cola's new formulation appears for the first time together outside "the bunker," code name for places where the project could be discussed openly. They are (l. to r.) Bruce Nelson, exec vp-creative director, McCann/New York; Ira Madris, exec vp-creative director, McCann/New York; Barry Day, vice-chairman, McCann Worldwide; Bill Thompson, exec vp, McCann Worldwide, and Marcio Moreira, exec vp, McCann Worldwide. Missing from this photo is John Bergin, vice-chairman, McCann Worldwide. *Photo by Arnie Adler.*

Presstime

Hancock thins field to 4

Boston—John Hancock Mutual Life Insurance Co. has narrowed the review for its $16 million account to four finalists. They are incumbent Arnold & Co.; Cabot Advertising; Hill, Holliday, Connors, Cosmopulos, and Ingalls Associates.

O&M rises, M'berry dips

New York—Ogilvy & Mather International reported increased revenues and net income for the first quarter of 1985, while Mickelberry Corp. saw earnings decline. O&M said revenues were $106.3 million, up 11.7% over the same quarter last year. Net income was up 13.9% to $3.6 million. Mickelberry's revenues rose 28% to $34.7 million, though the gain also reflected the revenues of two companies acquired last year. Net income for the quarter dropped 12.7% to $711,000.

HBM/Creamer perks up

White Plains, N.Y.—Nestle Co. has assigned its $20 million Taster's Choice freeze-dried coffee account to HBM/Creamer, Pittsburgh. Leo Burnett USA, Chicago, resigned the Taster's Choice account earlier this year to take on a substantial part of the M&M/Mars business (AA, Feb. 25).

Allen buys C&W in Frisco

San Francisco—Allen & Dorward, this city's largest independent agency, is buying troubled Cunningham & Walsh here. The move is reminiscent of C&W's actions in Chicago, where its office merged with BBDM (AA, April 4, *et seq.*).

Storer dissidents press on

New York—Coniston Partners (AA, April 29), the dissident group of shareholders trying to liquidate Storer Communications, continues soliciting proxies despite a recent Connecticut district court decision. That decision said the partners must file an application with the state's department of public utility control for the approval of their acquisition.

DDB hooks Sea World

San Diego—Sea World has named Doyle Dane

(Continued on Page 55)

First anniversary

Advertising Age begins its second year of twice-a-week frequency with today's *Thursday*. Following its debut on April 26, 1984, AA's midweek edition has been shaped to serve as a weekly booster shot for the creative side of agency, advertiser and media activity, the support systems they utilize and young people embarking on careers in this business. Reader response to *Thursday* and its unique format clearly tells us we have a hit on our hands, that each week we are filling their needs. So encouraged and appreciative are we that we resolve to continue, in our second year, to add lively, engaging and informative new columns, features and articles to the many that already define *Thursday*'s role as "Crain's Magazine of the Creative Process."

The Editors

REGULAR FEATURES

ADVERTISING MARKETPLACE 51
BRADY 47
CREATIVE FOCUS 48
GOING PLACES 9
IN THE NEWS 55
LETTERS 53
PARTING SHOT 48
PHOTO REVIEW 8
REGIONAL UPDATE 54
WORDS FROM GARTNER 47

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Budgets

(Continued from Page 45)

Ms. Schochow says the most mileage will be achieved by running a multifaceted campaign.

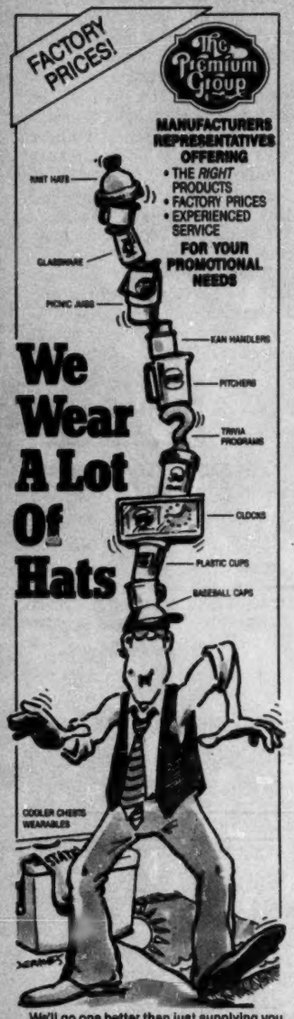
The reason promotion experts don't recommend diverting dollars into general advertising is simple: "A spot on the Super Bowl costs $1 million to place and $600,000 to produce. You could take that $1.6 million and give away samples of your products and measure its effect," Mr. Robinson says. "Advertising is measured by awareness; promotion is measured in the hard numbers of success or failure."

There it is: The industry's No. 1 selling point. "Promotional budgets are increasing because promotions are measured to sales to a defined audience over a defined period of time," says Jeffrey McElnea, president, Einson-Freeman, Paramus, N.J.

Jeffrey Feinman, president, Ventura Associates, New York, says promotions' general appeal is another reason companies are investing in them. "Promotion is a psychographic concept, not demographic; it works for everyone."

"Budgets will continue to swing toward promotions," Mr. McElnea says, "because advertisers and retailers are demanding them and consumers are responding to them." Ms. Schochow says the industry is growing because "every product must be promoted properly or it won't succeed in today's market."

The key words are "promoted properly." Until marketers bring the estimated 48% of their advertising-promotion budgets into the spotlight and out of the back rooms, dollars will continue to vault down the vortex unchecked, unmeasured and not doing a thing to build brand credibility and long-term sales. Perhaps it's time Atlas shrugged a bad habit—or at least recognized he has one.



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Promoting an international network

Buy Now! *Compre Ahora! Achetez Maintenant! Kaufen Sie Jetzt! Koop Nu!*

Largely because of the efforts of Gerry Postlethwaite, managing director, KLP International, London, and Jeffrey McElnea, president, Einson-Freeman, Paramus, N.J., some sales promotion companies will speak more than one language.

Messrs. Postlethwaite and McElnea helped to establish a network of eight companies in eight countries, each speaking the language of sales promotion in their native tongues. Represented countries include the U.K., the Netherlands, France, Spain, Brazil, Sweden, West Germany and the U.S., through Einson-Freeman.

"Promotion finally goes international," Mr. McElnea says. The network "was formed en masse, instigated by ourselves and KLP. It shows a commitment to create the critical mass needed to operate on a global scale without having to be bought out by an international agency," he says, citing the lack of major independent promotion agencies in the U.S. and abroad.

Mr. McElnea says companies that wished to run international promotions had only one option: "To use an advertising agency network, which doesn't have a commitment to promotions and works more on a piecemeal basis." The sales promotion network, on the other hand, is made up of companies whose primary business is promotion.

The group will operate as a unit only on international business, handling domestic accounts independently. Each company will buy some stock in KLP, which will purchase some of each member company's stock. KLP will coordinate the network's activities.

"The strategy for each international campaign will be universal," Mr. McElnea says. "But the creative approach will be tailored to each locale, as will the legal elements, which are so important in this business."

How much business is the new consortium counting on receiving? "Well, we weren't so much responding to demand, as anticipating demand," Mr. McElnea says. "We hope to create demand that should have been there. It's there for the international advertising agencies; we're assuming it's there for sales promotion as well." —*E.F.*

Prizes become more sophisticated

The days are gone when you could pull into the Sinclair station, buy a tank of gas and walk out with enough inflatable dinosaurs to keep the kids happy for a week. Even if Sinclair hadn't closed the pumps, Dino the Sinclair dinosaur and the potpourri of purchase prizes hanging in the gas station probably wouldn't be around today.

"Premiums and incentives are changing as rapidly as people's needs and desires change," says Peggy Schochow, editor of Minneapolis-based *Potentials in Marketing.* "They want current, up-to-date, hot products. Before, pens and pencils were okay, now you have to have cracker-jack incentives—things people want to win, but not necessarily buy for themselves."

What this means is that the numbers involved in offering premiums—whether products or cash—have inflated tremendously. The premium business is now a $4 billion industry, says Bernard Rosten, president, Allied Premium Co., New York, "a good part of which is spent on inexpensive items."

Mr. Rosten recommends using products rather than money as incentives because "you can take a $1 cash prize and convert it into a product prize with a perceived value of $3." Cash usage is on the decline, he says, because "you can get more for your bucks from gifts."

However, even the value of cash prizes has escalated. "To give away $25,000 used to be a big deal," says Jeffrey Feinman, president, Ventura Associates, New York.

"Now American Family Publishing is going to award $10 million to one person. The same type of thing is happening in the products being offered to consumers," Mr. Feinman says.

Exit Dino, enter high-grade clothing and consumer electronics. "Quality apparel is always a big incentive. And anything in consumer electronics—particularly pocket tvs and credit card-size radios—are hot premiums today," Ms. Schochow says. "The latter can have companies' names printed on them, and they are going to become more popular with companies" —largely because they have become more popular with consumers.

"Everybody's logo crazy," says Mark Kaufman, president, 3 Strikes Custom Design, New York. "The companies are just jumping on the bandwagon the retailers have been on for a while with designer jeans and all.

"This has helped because it's not taboo to wear someone's label, whether it's a designer's or a company's, on your clothes."

Companies are leaning toward labeling everything with their logos because they "are interested in copying the Japanese style of rah-rah, family-type company structures, and giving away corporate clothing fits in well with this," he says. "But now companies have realized that consumers are willing to spend money to get clothing with their logos on it. The number of company store programs has really boomed."

Ms. Schochow says that for sales and dealer incentives, nothing works like a vacation.

Another area that's really booming, she says, is advertising specialities—where a prize is given away without the salesperson, dealer, distributor or consumer really having to do anything to receive it. "They're perceived as good-will builders and are becoming incredibly popular," she says. After all, everybody likes something for nothing. —*E.F.*

Products soar over flights

Sales and dealer incentives ($ billions)

Source: Incentive Marketing

Prizes on a roll

Premiums and incentive growth ($ billions)

Source: Premium/Incentive Business

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Associate editor Ed Fitch coordinated this report on Premiums and Promotions.

Coming

Next week ADVERTISING AGE's Special Report will focus on Marketing to Affluents.